

Latest Developments on the International Standards on Auditing (ISAS); Use on Auditing Financial Statements in the Public Sector. The Case of Albania

Greta Angjeli

Mediterranean University of Albania
Albania
gretaangjeli@umsh.edu.al

Kriton Kuci

Mediterranean University of Albania
Albania
kritonkuci@umsh.edu.al

Abstract: *International Standards on Auditing have changed quite a lot over the last decade. These standards are today not only more clarified, and more understandable, but also more helpful and more useful by both the auditors and users of financial statements. Their wider use has increased considerably the trust and confidence to International Federation of Accountants (IFAC), where its' independent boards, follow carefully latest developments and draft those standards that contribute directly to the improvement of the audit quality, thus contributing directly to improving the quality of the financial reporting. In all auditing standards, guidelines and directives of practices are issued by the IAASB, regardless the fact that their orientation is mainly for financial reporting in the private sector. There are always given considerations and developed approaches on how to use them for public sector. International organizations, national and local governments, and also public sector entities in all levels, today tend to use similar standards of reporting. This tendency is seen from the modifications they are implementing from cash basis to the cash modified bases of accounting targeting the full use of accrual basis of accounting. Experiences in this regard vary quite a lot. The more progress in this process is made by some international organizations, as well as governments in countries such as Australia, New Zealand, but also France, Germany, etc. The main purpose of this paper is to try to analyze the latest developments in the field of international auditing standards, to briefly present the main developments, and especially to emphasize the need for drafting appropriate procedures and tools to be applicable for the public sector as well. The second part of the paper will deal with the specific model of practices regarding Albania and will try to point out the specifics of this model, and will compare it to the international standards in order to give adequate recommendations.*

Keywords: *International Standards on Auditing, ISAS, financial statements, public sector, Albania.*

